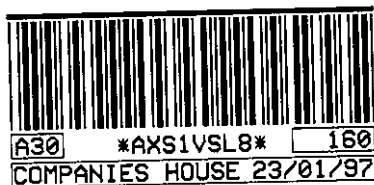


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**THE UK CENTRE FOR ECONOMIC AND
ENVIRONMENTAL DEVELOPMENT**

**DIRECTORS' REPORT AND ACCOUNTS
31 MARCH 1996**



THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

DIRECTORS' REPORT

The directors submit their annual report and audited accounts for the year ended 31 March 1996.

PRINCIPAL ACTIVITY

The company was incorporated on 26 April 1983 as a company limited by guarantee and commenced its operations on 1 July 1984. The company's principal aim is to bring about a constructive partnership between development and conservation interests in the UK and to promote the integration of economic analysis into environmental policy-making.

DEFICIT FOR THE YEAR

The deficit for the year ended 31 March 1995 was £7787 (1995: deficit £6799) as detailed in the Income and Expenditure account on page 5.

REVIEW OF ACTIVITIES

By several measures, this year has been the most successful in the Centre's history. The Centre has published more reports (and received greater publicity as a result) than in any comparable period in its twelve years of existence.

The year saw the retirement of the Centre's first Chairman, Sir Arthur Norman and the election of Sir Michael Colman as his successor. The Centre was also joined by a new research associate, a Japanese visiting research officer and three US placement students. The Centre hosted a visiting delegation from China, while several study missions were made overseas.

Work was completed and published for the Industry Council for Packaging and the Environment on packaging in a market economy and for BT on 'upgradeability' of household electronic products. Each of the reports received widespread coverage in the general and technical press. The Centre also carried out a review of the future direction of ESRC global environmental research support and produced a report for the UK Petroleum Industries Association (UK PIA) on the Royal Commission on Environmental Pollution enquiry into environmental standards.

New organisations, such as the UK Petroleum Industry Association, requested the Centre's assistance, while previous supporters, such as the AA and BT, approached UC CEED with proposals for further work. Official recognition of UK CEED's track record in securing substantial private sector support for its research activities came from receipt of one of the new Office of Science and Technology Realising our Potential Awards.

Several seminars were organised including; a consultation seminar on the packaging study; a transatlantic telephone seminar with the US President's Council on Sustainable Development; a joint seminar with the Royal Academy of Engineering on 'Engineering's Contribution to Sustainable Development' and a seminar on rural management issues in Northern Ireland. The Centre also collaborated with the Cambridge University Programme for industry to organise a seminar on environmental compensation.

THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

DIRECTORS' REPORT (Continued)

The year saw several contributions by the Centre to national environmental policy debate. Responses to government consultation documents were submitted to the UK Round Table on Sustainable Development; to the Department of the Environment on the Environment Agency, the Landfill Tax, and a waste strategy for England and Wales; and to the Countryside Commission on its prospectus for the next century.

The Centre has continued its long-running collaboration with the British Marine Industry Federation. The latest phase has entailed the development of a Code of Practice for different sectors of the marine industry, developed from the UK CEED's subsidiary office in Poole.

Esso plc continued its financial support of the Centre's bulletin.

TANGIBLE FIXED ASSETS

Tangible fixed asset movements during the year are summarised in note 4 to the accounts.

REGISTERED NUMBER

The Company is registered in England and Wales, No. 1811707.

DIRECTORS

The following were directors of the company during the year ended 31 March 1996:

Sir Michael Colman, Bt (Chairman - elected 20 March 1996)

Sir Kenneth Alexander FRSE

The Lord Barber of Tewkesbury

Professor Sir Hermann Bondi KCB, FRS

Sir Anthony Cleaver (Deputy Chairman)

Professor P S Dasgupta

Professor John Durant

Jeff W Edington Dsc

Glyn England JP, Feng

Noriko Hama

J N C James CBE

The Rt Hon the Lord Jenkin of Roding

Robert Jordan OBE MBA JP Ceng

Sir David Landale, KCVO (resigned 1 April 1995)

Patricia Mann

Professor Richard Macve, FCA

Sir Arthur Norman KBE, DFC (resigned 20 March 1995)

Professor Sir Colin Spedding CBE

The Lord Tombs FEng

THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

DIRECTORS' REPORT (Continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company for that year. In preparing those financial statements, the directors are required to:

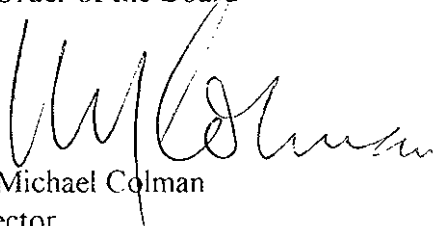
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The Auditors, Judd & Co, have indicated their willingness to continue in office, and a resolution for their re-appointment will be submitted to the Annual General Meeting.

By Order of the Board



Sir Michael Colman
Director

20 September 1996

**AUDITORS' REPORT TO THE MEMBERS OF
THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT**

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

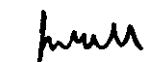
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the Company as at 31 March 1996 and of the deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Judd & Co
Chartered Accountants and Registered Auditors
Cam House
1A Carlyle Road
Cambridge CB4 3DN

20 September 1996

THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 1996

	Year ended 31 March 1996		Year ended 31 March 1995	
	£	£	£	£
INCOME -Continuing operations				
Donations and Grants (Note 1)	51000		80946	
Conference receipts and publications	443		999	
Research and consultancy	97868		86861	
		149311		168806
WORK IN PROGRESS		<u>4000</u>		<u>14000</u>
EXPENDITURE		153311		182806
Staff costs (Note 2)	(85432)		(84069)	
Other operating costs (Note 3)	(75727)		(105975)	
		(161159)		(190044)
OPERATING (DEFICIT) - Continuing Operations		(7848)		(7238)
INTEREST INCOME		<u>61</u>		<u>439</u>
(DEFICIT) FOR THE YEAR (Note 8)		<u>£(7787)</u>		<u>£(6799)</u>

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above two financial years.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 1996

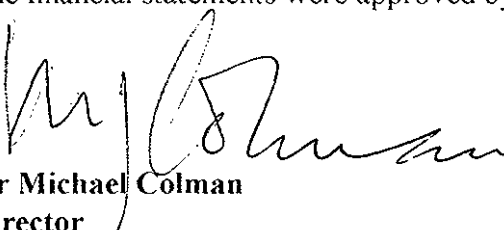
The Company had no recognised gains or losses during the year other than those reflected in the above income and expenditure account.

THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

BALANCE SHEET - 31 MARCH 1996

	<u>1996</u> £	<u>1995</u> £
TANGIBLE FIXED ASSETS (Note 4)	<u>7746</u>	<u>9584</u>
CURRENT ASSETS		
Work in progress	4000	14000
Debtors (Note 5)	3535	30809
Cash at bank and in hand (Note 6)	<u>60274</u>	<u>25228</u>
	67809	70037
CURRENT LIABILITIES		
Creditors: amounts falling due within one year (Note 7)	<u>(31938)</u>	<u>(28217)</u>
NET CURRENT ASSETS	<u>35871</u>	<u>41820</u>
NET ASSETS	<u>43617</u>	<u>51404</u>
FINANCED BY:		
Revaluation reserve (Note 8)	2332	3109
Accumulated fund (Note 8)	<u>41285</u>	<u>48295</u>
TOTAL RESERVES (Note 9)	<u>£43617</u>	<u>£51404</u>

The financial statements were approved by the Board of Directors on 20 September 1996


Sir Michael Colman
Director

THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1996

1 ACCOUNTING POLICIES

a Accounting Convention

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards except assets which were donated to the charity which are included at directors' valuation.

b Donations

Revenue-based donations are credited to income in the year in which they are received unless specifically time allocated by the donor.

c Tangible Fixed Assets and Depreciation

Fixed assets are depreciated over their estimated useful lives on a reducing balance basis, at the following rate:

Furniture and equipment 25% per annum

2 STAFF COSTS

	Year ended 31 March 1996	Year ended 31 March 1995
	£	£
Wages and salaries	77487	76250
Social security costs	<u>7945</u>	<u>7819</u>
	85432	84069
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The average number of employees during the year was 4 (1995: 5). None of the directors received any emoluments during the year.

3. OTHER OPERATING COSTS

	Year ended 31 March 1996	Year ended 31 March 1995
	£	£
Other operating costs for the year include:		
Auditors' remuneration	1500	2175
Consultancy fees	33573	53804
Depreciation	<u>2600</u>	<u>3200</u>
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THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1996 (Continued)

4. TANGIBLE FIXED ASSETS

	Furniture and equipment £
<u>Cost or valuation</u>	
At 1 April 1995	45478
Additions	<u>762</u>
At 31 March 1996	46240
<u>Accumulated depreciation</u>	
At 1 April 1995	35894
Charge for the year	<u>2600</u>
At 31 March 1996	38494
<u>Net book amount</u>	
At 31 March 1996	£7746
At 31 March 1995	£9584

Included within the cost or valuation of tangible fixed assets is an amount of £17470 (1995 £17470) representing revalued fixed assets. Accumulated depreciation of these items is £15137 (1995: £14360).

5. DEBTORS

	<u>31 March</u>	
	<u>1996</u>	<u>1995</u>
	£	£
Prepaid expenses	3535	3531
Tax recoverable	-	567
Trade debtors	-	21086
Other debtors	<u>-</u>	<u>5625</u>
	£3535	£30809

THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1996 (Continued)

6 BANK BALANCES AND CASH

	<u>31 March</u>	
	<u>1996</u>	<u>1995</u>
	£	£
Cash at bank - Deposit account	-	5190
- Current account	60235	20023
Cash in hand	<u>39</u>	<u>15</u>
	£60274	£25228

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>31 March</u>	
	<u>1996</u>	<u>1995</u>
	£	£
Donations in advance	17500	-
Other creditors	7666	1250
Accrued expenses	2874	1450
Taxation and social security	3898	3155
Trade creditors	<u>-</u>	<u>22362</u>
	£31938	£28217

8. RESERVES

	<u>Revaluation</u>	<u>Accumulated</u>
	<u>reserve</u>	<u>fund</u>
	£	£
At 1 April 1995	3109	48295
Deficit for the year	-	(7787)
Transfer	(777)	<u>777</u>
As at 31 March 1996	£2332	£41285

The donated assets included in the revaluation reserve are amortised over their estimated useful lives on a reducing balance basis, at the following rate.

Furniture and equipment - 25% per annum

This policy was adopted for the year ended 31 March 1989

THE UK CENTRE FOR ECONOMIC AND ENVIRONMENTAL DEVELOPMENT

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1996 (Continued)

9. RECONCILIATION OF MOVEMENT IN TOTAL RESERVES

	<u>1996</u> £	<u>1995</u> £
Opening funds	51404	58203
Deficit for the year	(<u>7787</u>)	(<u>6799</u>)
Closing funds	£43617 -----	£51404 -----

10. COMPANY STATUS

The UK Centre for Economic and Environmental Development is a company limited by guarantee and a registered charity.